

LRB – FISCAL REVIEW SECTION ANALYSIS

FINANCE AND PERSONNEL COMMITTEE

ITEM 11, FILE 011136

JANUARY 16, 2002

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File #011136 is a resolution authorizing appropriating funding from the 2002 Common Council Contingent Fund to cover a shortage in the Library Board's Reciprocal Borrowing Special Account by Milwaukee Public Library.

Background and Discussion

1. Adoption of this resolution authorizes the appropriation of \$152,050 from the 2002 Contingent Fund to cover costs associated with MPL's Special Fund reciprocal borrowing account.
2. The Milwaukee County Federated System (MCFLS), is a state-funded, county-wide library cooperative that provides shared services. All 15 municipalities within Milwaukee County participate in MCFLS through a member agreement. (*West Milwaukee participates through a separate agreement.*) A reciprocal borrowing transaction occurs when a resident of a community borrows library material from another community within Milwaukee County. Reciprocal borrowing costs are incurred when materials borrowed between the communities are not in balance.
3. In 2001, a new four-year Member Agreement was instituted between MCFLS and the 15 members for reciprocal borrowing transactions, computer services and supplies to revise the payment of reciprocal borrowing costs charged to member communities, effective January 1, 2001. The members representing the communities were requested to sign the Agreement by March 31, 2001. As of December 1, 2001, after the 2002 City Budget was adopted, all but 3 communities had signed the Agreement.
4. The MPL is funded to cover the reciprocal borrowing costs. For 2002, the total costs for transactions from October, 2000 through September 2001 was \$1,196,147. In the 2002 Adopted Budget, the Special Fund, for reciprocal borrowing costs, was funded at \$758,542.
5. The funding for the balance of the costs, **\$420,458, was added to the 2002 Common Council Contingent Fund**, to ensure that funding is available for the payment of City of Milwaukee reciprocal borrowing costs when the remaining 3 communities signed the Member Agreement for transactions incurred from April 2001 through September 2001.
6. West Allis has recently signed the Member Agreement. This resolution authorizes the payment of \$152,050 to West Allis for reciprocal borrowing costs incurred from April 2001 through September 2001.

Fiscal Impact

1. The total cost of this appropriation is \$152,050 to be expended from the 2002 Common Council Contingent Fund.
2. If this is approved, \$268,408 remains in the 2002 Common Council Contingent Fund to cover reciprocal borrowing costs when the last 2 communities, Greenfield and Wauwatosa, sign the Member Agreement.
3. This action will increase MPL's Special Fund account by \$152,050, from \$758,542 to a new balance of \$910,592.

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